

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

IN RE: REGIONS MORGAN KEEGAN)	
SECURITIES, DERIVATIVE, AND)	
ERISA LITIGATION)	
)	
H. AUSTIN LANDERS, et al.,)	
)	
)	Case Nos. MDL 2009
Plaintiffs,)	08-2260
)	
v.)	
)	
MORGAN ASSET MANAGEMENT, INC.,)	
MORGAN KEEGAN & COMPANY, INC.,)	
MK HOLDING, INC., REGIONS)	
FINANCIAL CORPORATION, REGIONS)	
BANK, et al.,)	
)	
)	
Defendants.)	

ORDER GRANTING JOINT MOTION TO EXTEND STAY

Before the Court is the November 30, 2010 Status Report of the New Board and Nominal Defendants' and Plaintiffs' Joint Motion to Extend Stay of Action. (ECF No. 98.) In an earlier Order, the Court found that Plaintiffs in this derivative action had made demand on the New Board and stayed further action in this case pending the New Board's response on October 25, 2010. See Landers v. Morgan Asset Mgmt. (In re Regions Morgan Keegan Secs., Derivative, & ERISA Litig.), Nos. MDL 2009, 08-2260, 2010 U.S. Dist. LEXIS 101987, at *23-24 (W.D. Tenn. Sept. 24, 2010).

The New Board filed a status report with the Court on October 25, 2010, and requested an extension of the stay to allow it to complete its investigation of the demand's claims. The Court granted the request and extended the deadline for the New Board to respond until November 30, 2010. See Landers v. Morgan Asset Mgmt. (In re Regions Morgan Keegan Secs., Derivative, & ERISA Litig.), Nos. MDL 2009, 08-2260, 2010 U.S. Dist. LEXIS 114492, at *6 (W.D. Tenn. Oct. 27, 2010).

In its latest status report filed with the Court, the New Board states that it has entered into a Memorandum of Understanding (the "Memorandum") with Plaintiffs' counsel. (Status Report of the New Board and Joint Mot. to Extend Stay, at 1, ECF No. 98.) ("Status Report") The New Board has agreed to take over as Plaintiff in the Landers action and will hire current Plaintiffs' counsel as its own counsel to pursue the Funds' claims. (Id. at 2.); see also Bender v. Schwartz, 917 A.2d 142, 152 (Md. Ct. Spec. App. 2007) (noting that, on receiving a demand, a board must either take over a derivative action or seek its dismissal). The Memorandum contains provisions affecting the consolidated action In re Regions Morgan Keegan Open-End Fund Litigation, No. 07-2784, also pending in this Court. The New Board has agreed to allow judgment to be entered against the Funds in the consolidated Open-End Fund Litigation on the claims against them under

Section 11 of the Securities Act of 1933, 15 U.S.C. § 77k. (Status Report at 2.) The judgment amount will be satisfied only from any recovery the Funds receive in the Landers derivative action. (Id.) The New Board also anticipates dismissing the Independent Directors as Defendants in the Landers action.

Each of these actions will require the Court's approval. Proper motions and supporting memoranda will be filed. To facilitate the conversion of this litigation from an action pursued by the shareholders to one managed by the Funds' board of directors, the parties request a 120-day extension of the stay entered by the Court. (Id. at 3.) The Court, subject to any objections that a party may wish to raise in response to an appropriate motion, PRELIMINARILY APPROVES the agreement outlined in the Memorandum and EXTENDS the stay for 120 days from the date of this Order. The New Board should file the appropriate motions in a timely fashion to expedite the advancement of this case.

So ordered this 6th day of December, 2010.

s/ Samuel H. Mays, Jr.
SAMUEL H. MAYS, JR.
UNITED STATES DISTRICT JUDGE